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HOUSE BILL 688

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Paul C. Bandy

AN ACT

RELATING TO TAXATION; EXPANDING THE GROSS RECEIPTS TAX
DEDUCTION FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-9-93 NMSA 1978 (being Laws 2004,
Chapter 116, Section 6, as amended) is amended to read:

"7-9-93. DEDUCTION--GROSS RECEIPTS--[CERTAIN] RECEIPTS
FOR SERVICES PROVIDED BY HEALTH CARE PRACTITIONER.--

A. Receipts from payments [~~by a managed health care
provider or health care insurer for commercial contract
services or medicare part C~~] for services provided by a health
care practitioner that are not otherwise deductible pursuant to
another provision of the Gross Receipts and Compensating Tax
Act may be deducted from gross receipts, provided that the
services are within the scope of practice of the person

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1 providing the service. [~~Receipts from fee-for-service payments~~
2 ~~by a health care insurer may not be deducted from gross~~
3 ~~receipts.~~] The deduction provided by this section shall be
4 separately stated by the taxpayer.

5 B. For the purposes of this section, [~~(1)~~
6 ~~"commercial contract services" means health care services~~
7 ~~performed by a health care practitioner pursuant to a contract~~
8 ~~with a managed health care provider or health care insurer~~
9 ~~other than those health care services provided for medicare~~
10 ~~patients pursuant to Title 18 of the federal Social Security~~
11 ~~Act or for medicaid patients pursuant to Title 19 or Title 21~~
12 ~~of the federal Social Security Act; (2) "health care insurer"~~
13 ~~means a person that: (a) has a valid certificate of authority~~
14 ~~in good standing pursuant to the New Mexico Insurance Code to~~
15 ~~act as an insurer, health maintenance organization or nonprofit~~
16 ~~health care plan or prepaid dental plan; and (b) contracts to~~
17 ~~reimburse licensed health care practitioners for providing~~
18 ~~basic health services to enrollees at negotiated fee rates;~~
19 ~~(3)] "health care practitioner" means:~~

20 [~~(a)~~] (1) a chiropractic physician licensed
21 pursuant to the provisions of the Chiropractic Physician
22 Practice Act;

23 [~~(b)~~] (2) a dentist or dental hygienist
24 licensed pursuant to the Dental Health Care Act;

25 [~~(c)~~] (3) a doctor of oriental medicine

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1 licensed pursuant to the provisions of the Acupuncture and
2 Oriental Medicine Practice Act;

3 ~~[(d)]~~ (4) an optometrist licensed pursuant to
4 the provisions of the Optometry Act;

5 ~~[(e)]~~ (5) an osteopathic physician licensed
6 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
7 or an osteopathic physician's assistant licensed pursuant to
8 the provisions of the Osteopathic Physicians' Assistants Act;

9 ~~[(f)]~~ (6) a physical therapist licensed
10 pursuant to the provisions of the Physical Therapy Act;

11 ~~[(g)]~~ (7) a physician or physician assistant
12 licensed pursuant to the provisions of Chapter 61, Article 6
13 NMSA 1978;

14 ~~[(h)]~~ (8) a podiatrist licensed pursuant to
15 the provisions of the Podiatry Act;

16 ~~[(i)]~~ (9) a psychologist licensed pursuant to
17 the provisions of the Professional Psychologist Act;

18 ~~[(j)]~~ (10) a registered lay midwife registered
19 by the department of health;

20 ~~[(k)]~~ (11) a registered nurse or licensed
21 practical nurse licensed pursuant to the provisions of the
22 Nursing Practice Act;

23 ~~[(l)]~~ (12) a registered occupational therapist
24 licensed pursuant to the provisions of the Occupational Therapy
25 Act;

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1 ~~[(m)]~~ (13) a respiratory care practitioner
2 licensed pursuant to the provisions of the Respiratory Care
3 Act;

4 ~~[(n)]~~ (14) a speech-language pathologist or
5 audiologist licensed pursuant to the Speech-Language Pathology,
6 Audiology and Hearing Aid Dispensing Practices Act;

7 ~~[(o)]~~ (15) a professional clinical mental
8 health counselor, marriage and family therapist or professional
9 art therapist licensed pursuant to the provisions of the
10 Counseling and Therapy Practice Act who has obtained a master's
11 degree or a doctorate; and

12 ~~[(p)]~~ (16) an independent social worker
13 licensed pursuant to the provisions of the Social Work Practice
14 Act

15 ~~[(4) "managed health care provider" means a~~
16 ~~person that provides for the delivery of comprehensive basic~~
17 ~~health care services and medically necessary services to~~
18 ~~individuals enrolled in a plan through its own employed health~~
19 ~~care providers or by contracting with selected or participating~~
20 ~~health care providers. "Managed health care provider" includes~~
21 ~~only those persons that provide comprehensive basic health care~~
22 ~~services to enrollees on a contract basis, including the~~
23 ~~following:~~

24 ~~(a) health maintenance organizations;~~

25 ~~(b) preferred provider organizations;~~

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- 1 ~~(c) individual practice associations;~~
- 2 ~~(d) competitive medical plans;~~
- 3 ~~(e) exclusive provider organizations;~~
- 4 ~~(f) integrated delivery systems;~~
- 5 ~~(g) independent physician-provider~~
- 6 ~~organizations;~~
- 7 ~~(h) physician hospital-provider~~
- 8 ~~organizations; and~~
- 9 ~~(i) managed care services organizations;~~
- 10 ~~and~~

11 ~~(5) "medicare part C services" means services~~
12 ~~performed pursuant to a contract with a managed health care~~
13 ~~provider for medicare patients pursuant to Title 18 of the~~
14 ~~federal Social Security Act]."~~

15 Section 2. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2007.